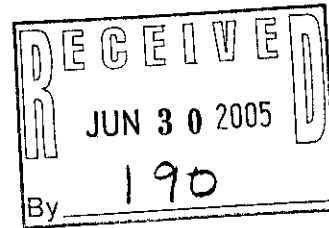




HERITAGE BANK



June 28, 2005

Robert E. Feldman, Executive Secretary
Attention: Comments, Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, D.C. 20429

RE: FIL 22-2005 Classification of Commercial Credit Exposures

Dear Mr. Feldman:

This letter is to express my concerns about the proposed change for the classification of commercial credits in banks. In my opinion the present classification system needs to be retained. All bankers and examiners understand the current system and I don't think we need to learn a new vocabulary that might cause confusion.

In addition to the above, the current system meets the needs of the financial institutions and protects the investors and depositors of those institutions. It has served us well for many years.

The proposed changes would only address commercial credits and therefore we would have a different system for non-commercial credits. This would add extra work unnecessarily and has the potential to be confusing. There would also be the need for new technology and the costs for training. These appear, to me, to be additional costs that we would prefer not to have at this time.

Sincerely,

Joe Turney
Executive Vice President

JT:sv